

[UC §59-10-1027](#)

If a military service member dies as a result of military service in a combat zone, they may be entitled to a nonrefundable tax credit on their TC-40, *Utah Individual Income Tax Return*. If a fiduciary is filing a trust return on behalf of the deceased service member, the credit is claimed on their TC-41, *Utah Fiduciary Income Tax Return*.

To qualify for the credit, all of the following conditions must be met:

1. The military service member must have been on active duty or in a reserve component in the United States Army, Navy, Air Force, Marine Corps, or Coast Guard;
2. The combat related death must have occurred on or after January 1, 2010; and
3. The death must have occurred while the military service member was serving in a combat zone, or be the result of a wound, disease, or injury incurred while serving in the combat zone.

Definitions

Combat zone means an area the President of the United States designates by Executive Order in which an active component or reserve component of the United States Armed Forces are or have engaged in combat.

Military service in a combat zone means service in an active component or reserve component of the United States Armed Forces, and which service was performed:

- on or after the date the President of the United States designates by Executive Order as the date combatant activities begin in a combat zone, and
- on or before the date the President of the United State designates by Executive Order as the date combatant activities terminate in a combat zone.

Reserve component of the United States Armed Forces means service in a reserve component of the armed forces listed in 10 U.S.C. Section 101(c) or 10 U.S.C. Section 10101.

Calculating the Combat Related Death Credit

The Combat Related Death Credit is equal to the tax liability of the military service member in the year the military service member dies.

TC-40, *Utah Individual Income Tax Return*

- On a return, other than a joint return of husband and wife, the credit is the amount of the tax liability shown on line 22. Enter this credit on TC-40A, Part 4, using code 25.
- On a married filing joint return, the credit may be calculated using the following worksheet:

Combat Related Death Tax Credit Calculation

1. Adjusted gross income ~~\$~~ on the joint federal return
2. Federal adjusted gross ~~\$~~ income of deceased military service member only
3. Allocation percentage - divide line 2 by line 1 (carry to 4 decimal places)
4. Amount of tax liability ~~\$~~ from TC-40, line 22
5. Combat Related Death ~~\$~~ Credit - multiply line 4 by line 3

Enter the credit from line 5 above on TC-40A, Part 4, using code 25.

Note: You may use a different method of allocating the tax liability if that method more accurately reflects the deceased service member's tax liability.

TC-41, *Utah Fiduciary Income Tax Return*

- The credit is the amount of the tax liability shown on line 22 attributable to the service member. Enter this credit on TC-41A, Part 4, using code 25.
- If you need to allocate the tax liability on a fiduciary return, use a calculation similar to the one above for individuals.

Amended Return

The Combat Related Death Credit was passed by the 2011 Legislature but made retroactive for taxable years beginning on or after January 1, 2010. If a Utah return for which the credit is allowed has already been filed for 2010, an amended return would need to be filed to claim the credit. [Click here for instructions on filing an amended return.](#)